



City of El Paso

Procurement Card

PCard Manual

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(Revised)

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Financial Transactions Division

Table of Contents

| | | |
|------|-------------------------------------|----|
| 1.0 | Purpose..... | 1 |
| 2.0 | Introduction..... | 1 |
| 3.0 | Definitions..... | 1 |
| 4.0 | Procedure..... | 2 |
| 5.0 | Customer Service..... | 3 |
| 6.0 | Roles..... | 3 |
| 7.0 | PCard Issuance Policies..... | 4 |
| 8.0 | PCard Usage Policies..... | 5 |
| 9.0 | Vendor Not Accepting VISA..... | 6 |
| 10.0 | Limitations and Restrictions..... | 6 |
| 11.0 | General Assistance..... | 7 |
| 12.0 | Lost or Stolen Cards..... | 7 |
| 13.0 | Authorized Purchases..... | 7 |
| 14.0 | Reconcilement and Payment..... | 8 |
| 15.0 | Travel Using PCard..... | 11 |
| 16.0 | Disputed or Fraudulent Charges..... | 13 |
| 17.0 | Sales and Use Tax..... | 14 |
| 18.0 | Monthly Review of Program..... | 14 |
| 19.0 | Frequently Asked Questions..... | 14 |
| | Appendix I (PCM-1)..... | 19 |

| | |
|---------------------------------|----|
| Appendix II (PCM-2)..... | 21 |
| Appendix III (PCM-3)..... | 23 |
| Appendix IV (Dispute Form)..... | 25 |
| Appendix V (PCM-5)..... | 27 |



CITY OF EL PASO
PROCUREMENT CARD PROGRAM

1.0 Purpose of the Program

The purpose of the City of El Paso (the “**City**”) procurement card program is to facilitate the requisitioning, purchasing and payment of generally small dollar purchases. The program is designed to reduce the administrative process, time related to purchase orders, vouchers, and check processing to expedite payment.

The PCard is a Visa Card or Master Card issued by Wells Fargo in an individual’s name. The card is to be used by City of El Paso staff. The authorized cardholder is able to purchase directly on behalf of the City of El Paso allowing tax-exempt use. Transactions are paid directly by the City to the bank. The program does not affect personal credit ratings in any way.

This manual will provide instructions on how to use the PCard as well as outline the administrative policies and procedures. In no way is it intended to be used as a way to circumvent the current Purchasing policies and procedures in place. It is designed to be used to expedite small dollar transactions and complement the current procurement system in place.

It is important to read and follow the instructions set out by this manual as authorized users will be responsible for adhering to the City’s established policies and procedures.

2.0 Introduction

The overall goals of the PCard program are to accomplish the following:

- 2.1** Reduce the cost of small dollar transactions -receive faster delivery of required merchandise
- 2.2** Receive faster delivery of required merchandise
- 2.3** Simplify the payment process – reduce the administrative burden on City departments
- 2.4**

Failure to comply with the policies and procedures established under the PCard Commercial Card Program may result in disciplinary action, cancellation of card privileges, and possible termination of employment.

3.0 Definitions

- 3.1** **Commercial Card Expense Reporting (CCER)** – Wells Fargo’s online reporting and reconciliation program.
- 3.2** **Procurement Card** - Otherwise known as PCard is a purchasing credit card. The Department Head must approve issuance of the credit card.
- 3.3** **Small dollar transactions** - Procurement transactions in the amount of \$3,000 or less that would otherwise be processed through a non-encumbered voucher.
- 3.4** **Authorized Cardholder** - The individual employee authorized by the City to make purchases using the PCard, and is responsible for any charge placed on the card

- 3.5 Department PCard Approver** – The individual employee authorized by the department head to approve and manage transactions within that department. The Approver should have budgetary authority and be at a supervisory level from the PCard user, to the extent possible. For smaller departments this may not be feasible. There may be an alternate approver to act on behalf of the primary approver. The primary approver will have accountability for the cards and transactions.
- 3.6 Department PCard Reconciler** - The individual employee at the department level that verifies transactions, reconciles receipts to purchases and signs off on the payments for the PCard.
- 3.7 PCard Administrator** - Accountant in the Financial Transactions Division responsible for setting up authorized users and maintaining limit amounts on the PCard. This individual also handles the posting of the monthly PCard transactions.
- 3.8 PCM-1 Form** - PCard Account Maintenance Form used to request initial set-up for PCard users and for any changes thereafter to the Cardholder. This form is required to be completed, signed and submitted to the PCard Administrator in order to make changes to the P- Card users.
- 3.9 General Leger Information** – Fund, Account, Department, Division, Project/Grant, Program and Location Code combination from which PCard transactions are paid.
- 3.10 Default Chartfields** – Fund, Department, Division, Project/Grant, Activity, Program and Location that is set by default for each cardholder. A default Account code is not needed.
- 3.11 Clearing Account** – General ledger account number designed to expense amounts failing budget check.

4.0 Procedure (this section also sounds repetitive to reconciliation but it is a summary of the program)

4.1 Purchase

The authorized cardholder uses the PCard to purchase needed goods and submits the vendor original itemized receipt, and any other required supporting documentation to the Reconciler.

4.2 Approval by User

The Reconciler/Cardholder updates information in CCER. The Reconciler/Cardholder will review all charges, input all information, and make all changes to the statement. After reviewed and approved by the Reconciler/Cardholder, the statements will be reviewed and approved by the Approver. The Cardholder, Reconciler and Approver are both responsible for statements they approve.

After the PCard journal has been posted in the general ledger, the department must verify the expenses were posted to the correct chart fields. If a transaction failed budget, the amount was expensed to the clearing account (531999). To view the original information downloaded from Wells Fargo, in CCER the user may download the report.

Navigation: CCER > Reports > Reporting Download > Report Template

The user must first create the template, and then proceed to Download Report (tab).

To extract what was posted to the clearing account; users may run the query, E1_GL_BYACCOUNT, in PeopleSoft Financials. The query may be adjusted with different date ranges.

4.3 PCard Administrator

At the end of the cycle period, the Administrator downloads the complete monthly statement. After reviewing all chart fields and expensing transactions with missing or incorrect chart fields to the clearing account, the journal entry is uploaded into PeopleSoft.

The Administrator will be completing a preliminary PCard journal during the approval period in order for Approvers to make necessary changes in Wells Fargo CCER before the final journal is posted.

5.0 PCard Customer Service

For assistance with the PCard Program, please contact the following:

| Title | Name | Email Address | Phone Number |
|--------------------------------|----------------|---|------------------------|
| Financial Transactions Manager | Juanita Gardea | GardeaJX@elpasotexas.gov | 915.212.1164 |
| PCard Administrator | Lupe Vick | VickGO@elpasotexas.gov | 915.212.1166 |
| Wells Fargo Customer Service | | https://wellsoffice.wellsfargo.com/ceportal/signon/index.jsp?RC=811 | Listed in back of card |

For all other questions, please contact your Department PCard Approver.

6.0 Roles

6.1 Types of Structure

Each Commercial Card Expense Reporting user is assigned one or more roles. The different roles are described in this section.

6.1.1 Cardholder

The Cardholder buys for his/her department. The cardholder may review and reconcile his/her own transactions online through CCER. If the cardholder is not assigned a Reconciler, the cardholder will electronically reconcile his/her invoices through CCER and then submits all receipts to the Department Approver. The cardholder is responsible for maintaining every purchase receipt. If the cardholder is assigned a Reconciler, he/she will submit all receipts to the Reconciler.

6.1.2 Reconciler

The reconciler is assigned a set of cardholders as per the department. The Reconciler will handle all invoices and/or receipts, ensure all information in the field boxes is completed on the CCER system on a monthly basis. Once completed, the Reconciler submits all documentation and electronically approves all transactions and forwards the information to the Approver for final review and approval.

6.1.3 Approver

The Approver is assigned a set of cardholders as per the department. The Approver will review invoices/receipts, verify all purchases are valid, ensure budget exists and electronically approve all transactions on a monthly basis. Once the approver approves a statement in CCER, no changes will be allowed. Invoices/receipts should then be filed in an orderly manner at the department level.

The Approver must sign all requests to make changes to cardholders' accounts.

7.0 PCard Issuance Policies

7.1 General guidelines

Each authorized user will be issued a PCard in his/her own name. The PCard shall **only be used to conduct business on behalf of the City and will not be used for any type of personal purpose.** The authorized user is the only individual that may use the PCard issued to him/her and the card cannot be transferred from one employee to another. **The Pcard holder has to maintain physical possession of the Pcard.** This card can only be issued to permanent employees of the City unless authorized by the Chief Financial Officer. A PCard Account Maintenance Form, PCM-1 must be completed and signed prior to issuing a PCard.

The PCard Account Maintenance Form, PCM-1 is also used to request any changes to the Cardholder. Changes are made only after the written request form is completed, signed and submitted to the PCard Administrator. Incomplete forms cannot be processed. Failure to provide all information may result in a delay of the request.

7.2 Budget for Expenditures

Each department must ensure that there is a budget established for all expenditures associated with the PCard **prior to the expenditure or authorized use of the PCard.** This is the responsibility of the Department Head and/or Department PCard Approver.

7.3 Issuance procedures

Upon acceptance of the card, the authorized user agrees to abide by the procedures written in this manual and all other City procurement policies and regulations. The authorized user will document such acceptance by filling out a Cardholder Agreement, PCM-2. The authorized user will also acknowledge that he/she will read and follow the instructions written in this PCard program manual prior to using the PCard.

Upon receipt of the City of El Paso PCard, call the toll-free number in the presence of the Department PCard Approver to activate the card. For verification purposes, the authorized user will be asked to provide the last four digits of their Employee ID # (KRONOS #). Although the card will be issued in the individual's name, their personal credit history will not affect their ability to obtain a card. The City of El Paso will be responsible for payment of all authorized purchases made with the card.

7.4 Issuance duties of the Department PCard Approver

Each department head will designate a Department PCard Approver (approver) for the specific department. The approver must have budgetary authority to maintain spending limits and be at a supervisory level above the PCard user to enforce proper purchases to the extent possible. Smaller departments must comply as much as possible with this policy. Because the approver shall grant usage, limit and expenditure authority, it is important for the department head to make careful consideration when designating a Department PCard Approver.

The Approver will be responsible for the initial set-up of all authorized users within the department. A PCard Account Maintenance Form, PCM-1, must be completed and signed by the Department Head in order to grant usage to any individual employee. In the event of termination or transfer to another department of an authorized user, the Approver will be responsible for filling out the same form, PCM-1, collecting the issued PCard and submitting the card and forms to the

PCard Administrator in the Financial Transactions Division immediately. Authorization will be revoked upon receipt of the documentation and/or other expedient notification. (If you are moving to another department that may require you to hold a card, it will be reissued to you by the PCard Administrator after verification.)

The Approver will be responsible for assigning each card to at least one specific line item that will be used to expense all items charged on a particular card. Other line items can be added to each individual user's table through the PCM-1 form. The Approver can make assignments of charges to line items, as they deem appropriate.

The Approver will be responsible for determining any spending limitations or restrictions of each individual authorized user. This will be listed on the P- card Account Maintenance Form, PCM-1, and form must be signed by the department head.

If there is a need to change the information on the individual account, such as a name change, spending limit change or assigned expense code, the PCard Account Maintenance Form, PCM-1 must be completed and signed by the Approver and department head. The Approver will submit the form to the PCard Administrator to update the information. The Approver should keep a copy of the PCM-1 form on file and submit the completed original form to the PCard Administrator.

8.0 PCard Usage Policies

8.1 General usage

The PCard can be used at any valid merchant that accepts VISA or Master Card, except as the City otherwise directs. It may be used for in-store purchases as well as phone, fax, Internet or mail purchases. There is no special terminal or equipment needed by the merchant to process a PCard transaction.

The account number assigned to each authorized user must not be used or given out to any company or individual for their use.

All receipts from PCard purchase must be maintained in an orderly manner in the receipt envelope provided and forwarded to the Department Card Approver at the time of monthly reconciliation. (Receipts may also be sent to the Department Card Approver at the time of purchase if the reconciliation will be done at the department level.)

8.2 Business-to-consumer purchases

When making purchases in person, an itemized receipt must be obtained at the point of sale. The terms of payment should reflect a credit card payment on the receipt. There is no need for the merchant to send an additional receipt/confirmation to the City as this may result in a duplicate payment being made.

The PCard may be used to pay pending or outstanding invoices provided that it falls under the following criteria:

- **The bill or invoice "IS NOT" Purchase Order (PO) related**
- **The amount of the bill or invoice does not exceed the \$3,000 per commodity per Department for the Fiscal Year as set forth by the Purchasing Policies or Procedures**

Otherwise these invoices or bills are to be processed with an unencumbered voucher as indicated per the Accounts Payable Policies and Procedures.

8.3 Internet purchases

When making purchases over the Internet, the receipt or confirmation document that is normally generated after the sale may be used as the receipt. If possible, inform the vendor to send only a receipt/packing list in order to avoid a possible duplicate payment. Internet vendors such as Amazon accounts should be in the City of El Paso's name and no reward points should be obtained by the cardholder.

8.4 Out of Country purchases

Prior approval from the Comptroller and the CFO will need to be obtained for items purchased outside the United States. These purchases will be reviewed on a case by case basis.

8.5 Phone, fax or mail purchases

For phone, fax or mail purchases, a receipt should be obtained in the most expedient manner possible (i.e. fax, phone or internet) and should be sent directly to the authorized user. If possible, instruct the merchant to send only the packing list with the merchandise in order to avoid duplicate payment. The receipt/packing list should indicate paid by credit card and the name of the individual listed in any "ship to" fields.

8.5 Returns and credit memos

The PCard is designed for making purchases in the most expeditious manner. As such, the majority of the time, the purchaser will have the opportunity to view the item being purchased and determined its utility prior to the purchase. It is not intended to have a high number of returns and therefore, generate credit memos. Therefore, in the unlikely event of a return using a PCard purchase, the Cardholder should return the item in question to the Department PCard Approver for return along with the original receipts. The Approver will handle the return and ensure that the item is properly credited to the credit card account. The departmental account number, however, will be charged until the appropriate credit is obtained.

9.0 Preferred Vendors Not Accepting VISA

- 9.1** Not all approved City vendors will accept VISA. However, as purchasing card programs become more and more popular, vendors will want to accommodate their customers by accepting VISA as a method of payment. It will be to the City's benefit, and the success of the program, if as many suppliers as possible are VISA merchants. If one has a vendor who does not accept VISA, please contact the PCard Administrator.
- 9.2** The PCard Administrator will work with Wells Fargo Bank to communicate the City's desire, and the benefits, of accepting VISA. Alternatively, the cardholder may advise the vendor to contact its local bank for details of becoming a VISA merchant.
- 9.3** Generally, departments should use vendors that they are currently doing business with or vendors approved through the Purchasing Department. If services will be purchased with the PCard and the user is unsure about whether or not the vendor is currently on the vendor list, the user should contact the Purchasing Department to ensure all information is on file. This will assist the City in the preparation of the annual 1099 reporting.

10.0 Limitations and Restrictions

10.1 Limits imposed on PCard

Each PCard has an assigned credit limit. There may also be a single transaction limit placed on each individual card, which means the card will be declined if an attempt is made to purchase more than this set amount at one time. This will be set at the time of distribution and may be set at different levels depending on spending authority and requirements of the position an employee holds. **A purchase should NOT be split to avoid the single transaction limit.** If an employee believes the single transaction limit will inhibit optimum usage of the Program, please discuss this with the PCard Department Approver. The approver will discuss this with the department head and any changes must be submitted through the Account Maintenance Form PCM-1 in accordance with Section 4.4 of this manual. All forms must be approved by the Department Head.

Purchases should not exceed \$3,000 for a particular commodity per department within the fiscal year. In no way should it be used to circumvent the Purchasing Policies and Procedures.

In addition to the single transaction limit, every cardholder has a “total monthly dollar limit” assigned to his/her account. As limitations vary by cardholder, please discuss the limit with the Approver. If a Cardholder believes that their monthly limit is insufficient, please contact the Department Head to discuss having the limit(s) increased. The Department Head’s recommendation is final.

10.2 Merchant Category Blocking

The Wells One Commercial Card Program also allows for Merchant Category blocking. If a particular Merchant Category is blocked (e.g., jewelry stores), and a Cardholder attempts to use the card at such a merchant, the purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If the card is refused at a merchant where it most likely should have been accepted, the Cardholder can call Wells Fargo Bank Purchasing Card Customer Service at 1-800-932-0036 to determine the reason for refusal.

Cardholders should use merchants which will accept the City’s PCard to avoid the purchase from being declined. Any Merchant Category Code (MCC) change must be requested in writing by the PCard Approver. The change must specify cardholder name, vendor/supplier name, amount and reason of purchase.

All changes to the MCC will be logged, tracked and maintained by the Office of the Comptroller PCard Administrator. On a monthly basis, this log will be reviewed by the Financial Transactions Manager to ensure that all changes are appropriate and consistent with PCard manual guidelines.

11.0 General Assistance

11.1 Automated Customer Service

Automated customer service assistance is available 24 hours/day, 7 days/week at 1-800-932-0036. This menu will prompt authorized users with options that will provide the following information:

#1 Purchasing Card Cardholder Inquiry #2 Smart Data/Technical Support
#3 Client Services Officer #4 Disputes Depending on the result of the inquiry, a Cardholder may want to discuss the issue further with the department Approver.

IMPORTANT: All requests for changes in limitations and restrictions must be authorized and submitted by the Approver. The Account Maintenance Form, PCM-1 must be submitted to the

PCard Administrator. The Administrator will contact Wells Fargo Bank to make the changes to the existing cardholder only after a written request is received by the PCard Administrator.

12.0 Lost or Stolen Cards

- 12.1** Each individual user is responsible for the security of their assigned card and any purchases made on their account. If a user believes that the card has been lost or stolen, immediately report this information to the **Wells Fargo Bank Customer Service at 1-800-932-0036 and to the PCard Administrator at (915) 212-1166**. It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions. **A police report must be filed in the case of a stolen card.**
- 12.2** As with a personal charge card, an authorized user will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank. The PCard Account Maintenance Form, PCM-1, should be filled out to indicate that a new card is being requested. The PCard Administrator in the Financial Transactions Division will issue all cards.

13.0 Authorized Purchases

The purpose of the City PCard program is to facilitate the requisitioning, purchasing and payment of generally small dollar transactions. Authorized purchases may be limited on a citywide basis or at the department level. Each authorized user may be restricted as to purchases depending on a particular department's activities. Rather than list all authorized purchases, the City will focus on unauthorized purchases that are strictly prohibited by the Financial Transactions Division.

13.1 Unauthorized purchases

The following are items that are **strictly prohibited** to purchase:

- Items for personal use
- Items that have been awarded through the bid process that are NOT through the approved vendor (list can be obtained from Purchasing Division)
- Any single transaction exceeding \$3,000 unless authorized previously by Office of the Comptroller. Capital Assets and equipment over \$500 are not to be purchased with the PCard.
- General ledger account numbers beginning with 580xxx should never be used because these accounts are reserved for Capital Assets costing more than \$5,000. Therefore, the following general ledger account numbers can be utilized in CCER.
 - 533000 Equipment or Materials (\$500 to 4,999.99)
 - 533010 Furniture (\$500 to 4,999.99)
 - 533020 Data Processing Equipment (\$500 to 4,999.99)
 - 533030 Other Equipment (\$500 to 4,999.99)
- **Computer hardware over \$500 and software over \$500 are not to be purchased without prior approval and backup documentation from IT**
- Postage
- Vehicle fuel, repairs, and maintenance unless authorized by the Fleet Services Management
- Rental cars (not related to Travel as defined in Section 14.0)
- Cash withdrawals
- Gift Cards/Cash Cards (please call Financial Transactions Division)
- Country club memberships

- No reward points from internet websites (i.e. Amazon.com)
- Any inappropriate item prohibited by other City Policies and Procedures
- **Liquor**
- Food & Beverage for personal or for departmental staff usage
- Hotel/Motels (not related to Official Travel)
- Airline Early Bird fee
- Meals not related to travel or city business

Department-specific regulations may allow further restrictions to this list.

As with any City purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for the use of City funds. In addition, the card should not be used for any personal use.

Failure to comply with the above policies for unauthorized purchases under the PCard Commercial Card Program may result in disciplinary action, cancellation of card privileges, and possible termination of employment.

14.0 Reconciliation and Payment

Unlike personal credit cards, the City PCard Program is handled as a corporate liability. An individual user's personal credit history has not been taken into account when a card has been issued in their name.

The Treasury Division is responsible for paying the program invoice(s) each month. An individual user is not responsible for payment under their account; however, each individual user accepts certain responsibilities upon issuance of a PCard.

14.1 Receipt retention

It is a requirement of the program that a Cardholder keep all receipts for goods and services purchased on the PCard. For orders placed via phone, fax or mail, a receipt must be requested, detailing merchandise price, sales/use tax, freight, etc. be included with the goods mailed/shipped. It is recommended that one request the receipt be faxed directly to purchaser, prior to the goods being shipped, to ensure a receipt for statement reconciliation is available. (*Note:* a merchant should not reject this request, as it is a VISA policy). It is extremely important to request and retain purchase receipts, as this is the only original documentation. **If receipts are not presented, an individual may be held personally liable for the purchase(s).**

14.2 Record log

To assist users in retaining receipts, a PCard Record Log, Form PCM-3 is included at Appendix III. Standard reimbursement policies require retention of receipts or other proof of purchase and serves as documentation to support reimbursable items. This also serves as an internal control to verify that only authorized purchases are being made. This log should be kept to ensure that receipts are collected for all purchases made and to remind cardholders of past purchases.

14.3 Commercial Card Expense Reporting (CCER)

14.3.1 Authorized Cardholder responsibilities

A monthly statement will be emailed to each individual user from the Commercial Card Expense Report (CCER). All users **MUST HAVE** a City authorized email address in order to access the program. If an individual does not have an email address and access to the email, then the user cannot participate in the program. CCER will reflect the transaction date, supplier/merchant name and the total amount of each

purchase.

Each Cardholder must:

- Match the monthly statement with the Receipt Log and receipts
- Ensure all transactions posted are legitimate purchases made by the authorized cardholder on behalf of the City
- Retain and account for all copies of receipts for items purchased under the Program for their records
- Forward the monthly statement along with original receipts to the PCard Department Approver.

It is also the cardholder's responsibility, immediately upon receipt of the email from CCER, to sign on and reconcile the statement online. A check mark in each "Receipt Attached" box indicating a receipt is being submitted for each purchase and verifying that all expense coding is correct must be electronically keyed on the statement. When a cardholder has ~~ensured~~ all information in each field box has been completed for each purchase, the cardholder should select the 'Review Complete' button at the bottom of the screen. Then, receipts should be submitted to the PCard Department Approver in the receipts envelope. **ONLY ORIGINAL RECEIPTS SHOULD BE SENT TO THE DEPARTMENT P- CARD APPROVER.**

Charges

Viewing 1 to 1 of 1 Items

| | | | | | |
|--|--------------------------------|--|--|---|--|
| 1. | Transaction Date 02/26/2014 | Posting Date 02/28/2014 | Merchant <u>American Ai 0017385354757</u> Bellevue, WA | Receipt Attached <input checked="" type="checkbox"/> | Amount / Original Currency 356.00 USD |
| General Ledger Code * 542010 - <input type="text"/> | | Description flight to Minneapolis for a GFOA Conference | | Unit COMPTROLLERS(05150054) | |
| FUND 1000 | | DEPARTMENT 210 | | DIVISION 13130 | |
| PROJECT/GRANT <input type="text"/> | | ACTIVITY <input type="text"/> | | PROGRAM P1311 | |
| LOCATION <input type="text"/> | | | | | |

Capture a Rectangular Region

The Department PCard Approver or other authorized Approver will electronically review each statement, verify and reconcile submitted receipts.

Each cardholder will have four days to review, make any necessary coding changes, and 'sign off' on the statement. After this time expires the statement is forwarded to the PCard Approver. The PCard Approver receives a copy of the statement electronically as well, and has 5 days to review and approve it.

Time Frame Table:

| | |
|-------------------------------|---|
| Monthly Cycle | 16 th – 15 th i.e. 4/21-5/20/2014 |
| Statement End Date | 20 th of each month for VISA and 15 th of each month for Master Card |
| Cardholder/Reconciler Period: | 16 th – 19 th for MC and 21 st – 24 th for VISA |
| Approval Period: | 20 th – 24 th for MC and 25 th – 29 th for VISA |

Failure to submit the reconciled CCER statement to the Department PCard Approver within the four days shall result in the PCard being deactivated. As purchasing card records will be audited from time to time, it is essential to adhere to the above record keeping policies.

14.3.2 Department PCard Approver responsibilities

All CCER statements will be sent electronically to the Department PCard Approver for review and approval. It is the Approver's responsibility, immediately upon receipt of the email from CCER, to sign on and review the statement(s) online. The Approver shall verify that all expense coding is correct, all receipts have been matched to the statements and all information in each field box has been completed for each purchase.

Each Approver must:

- Review the "Transaction Detail Report" to ensure actual purchase amounts have not exceeded budgeted amounts.
- Reconcile and reclassify purchases to correct any budget variance. It is imperative that the Approver ensures actual purchases are within the budget.
- Resolve discrepancies before approving transactions. When the Approver has completed these ~~procedures~~, they should select the 'Approval Complete' button at the bottom of the screen.
- Will have five days to review (from the 25th through 29th), make any necessary coding changes, and 'sign off' on the statement.

Failure to approve the statements within the five business days shall result in the department PCard program being suspended. Notice of any delays will be immediately forwarded to the Department Head. As the success of the PCard rests within each individual department, it is imperative that all steps be adhered to within the timelines provided.

14.3.3 PCard Administrator

It is up to the PCard Administrator to notify the Department Head of any delays from the Approvers. The Administrator shall verify that all expense coding has been entered, statements have been properly approved, and charges appear reasonable. **If at the department level, all receipts should be submitted to match the statements. ORIGINAL RECEIPTS SHOULD BE RETAINED AT THE DEPARTMENT LEVEL IN A FILE OR OTHER ORGANIZED MANNER. If at the Financial Transactions Division level, the statements will be reviewed for reasonableness.**

On a monthly basis, the PCard Administrator at the Office of the Comptroller level will upload all of the charges and populate the general ledger expense accounts for charges pertaining to each department. The upload should be reconciled to the amount credited directly to the City's bank account as noted under Section 13.3.4. Any discrepancies should be resolved immediately. Continuous discrepancies that result from the department not complying with procedures such as exceeding funding limits and incorrect accounting entries shall result in the department PCard program being suspended and/or revoked.

14.3.4 Treasury Services Coordinator Responsibilities

Once a month, Wells Fargo will charge the City Concentration Account in the amount of PCard charges for the prior month. The Treasury Services Coordinator should ensure that the proper clearing account has been debited and cash has been credited for the charge.

15.0 Travel using PCard

Only authorized users may use the PCard for travel purposes. This should be designated under letter “L” on the PCard Maintenance User Form, PCM-1. The procedures outlined below only apply to the payment process **not** to the approval process. All trips must be approved prior to departure in accordance with the City’s travel policies. All travel must be approved by the Department Head or designee and documented on the Travel Request Form. It should be noted on the travel form that the method of payment will be using the individual’s PCard. **FAILURE TO DO SO WILL RESULT IN AUTOMATIC DEACTIVATION AND REMOVAL OF PRIVILEGES OF THE PCARD.**

Once the trip is approved, authorized Cardholders may use the PCard for all travel- related expenses such as hotel, rental car, gasoline, airline tickets and meals. However, cardholders should keep in mind that the City will only reimburse based on a per-diem rate and costs that exceed these amounts may and will be directly deducted from the cardholder’s personal checking/savings account as listed through CCER. **Receipts should be maintained for all purchases using the card.**

On a monthly basis, cardholders will receive their statement through CCER. Cardholders should review the charges for appropriateness and calculate the difference between the per-diem rates and meals, if any, charged to the PCard.

This difference should be entered into the Out of Pocket (OOPS) portion of CCER. Once the cardholder has ascertained that all receipts have been reconciled to the system and all charges are appropriate, the cardholder should electronically submit request the statement to the Department Approver.

The Approver will review the submission and ensure that all charges are appropriate and related to the trip. The Approver must compare all of the receipts submitted to the charges on the CCER system. The Approver must verify the approved travel request to ensure actual expenses incurred are in line with the approved travel request. Any difference above the approved amount will be deducted from the cardholder.

Once the transaction is verified and appropriately reconciled, the Approver will electronically approve the CCER statement. Any difference will be automatically deducted/added to the cardholder’s PERSONAL checking/savings accounts as provided by the cardholder. Cardholders must have a checking/savings accounts available or they will not be issued a PCard for travel.

Additional information on the OOPS module is available in the following section. Only those authorized users can view and enter information into the OOPS module of the CCER system.

15.1 Out of Pocket Expenses

15.1.1 Travel Expenses

If a cardholder needs to purchase an item with personal cash, which pertains to the trip, enter ~~this~~ information in the ‘Out of Pocket’ expense section of the P- Card statement. Also, each cardholder should calculate the difference between per diem rate authorized and the actual expenses charged to the card. If there is an overage, the employee’s personal account will automatically be credited. If there is a shortage, the employee’s personal account will be debited.

Each authorized cardholder will be responsible for the following:

- Retaining all receipts for items purchased with their PCard
- Recording a business purpose in the description box on the statement
- Reconciling the monthly CCER statements
- Retaining all receipts with the approved travel request
- Ensuring all transactions posted are legitimate purchases made by user on behalf of the City

Remember! Use one receipt envelope per cardholder per trip. Please do not mix trip or cardholder receipts.

Failure to submit the reconciled CCER statement to the Department PCard Approver within the five business days after month end shall result in the P- card being deactivated. As purchasing card records are subject to be audited, it is essential to adhere to the above record keeping guidelines.

15.1.2 Mileage Only

Mileage reimbursements need to be entered as an out of pocket expense in CCER. Users enter the necessary information on the CCER statement once a month; forward it electronically along with the documentation to the Approver at the Department level.

The Approver reviews all documentation submitted from the Users and approves all transactions online through the CCER system on a monthly basis. Once completed, the Approver electronically approves all transactions. The Reconciler (either at the Department or Financial Transactions Division level) has the final review and approval. If at the department level, the invoices must be filed by the reconciler in an orderly manner at the department level.

Once the Reconciler approves the reimbursement, the amount will be automatically added to the user's PERSONAL checking/savings account. Users must have a checking/savings accounts available in order to submit for mileage reimbursements.

Failure to submit the reconciled CCER statement to the Department PCard Approver within the five business days after month end shall result in the account number being deactivated. As purchasing card records will be audited from time to time, it is essential to adhere to the above record keeping procedures.

16.0 Disputed or Fraudulent Charges

16.1 Disputed Charges

If there is a discrepancy on a user's statement, it is imperative that the issue is addressed immediately. Depending on the type of discrepancy, the user should contact the merchant or the Department PCard Approver to resolve the disputed transaction.

If the user believes that the merchant has made a charge incorrectly or there is an outstanding quality or service issue, the user must first contact the merchant and try to resolve the error or problem. If the user is able to resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment from the merchant should be requested and will appear on the next statement.

If the merchant disagrees that an adjustment is necessary, immediately contact the Department PCard Approver who will work with Wells Fargo to resolve the dispute. Wells Fargo Bank will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction should be reported on Wells Fargo Bank PCard Dispute Form (refer to Appendix IV) and on the dispute screen available in CCER.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the City's account for the amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, one should never assume that a dispute would be resolved in their favor.

If the dispute is not resolved or satisfaction is not achieved, and the user believes that the merchant has treated him/her unfairly, please notify the PCard Administrator with the relevant details. If the merchant is one of Wells Fargo's preferred vendors, further action may be taken.

16.2 Fraudulent Charges

Any fraudulent charge, i.e., a charge appearing which the user did not authorize, must be reported immediately to Department PCard Approver and the PCard Administrator. Prompt reporting of any such charge will help to prevent the company from being held responsible. A Declaration of Forgery or Unauthorized Use Form, PCM-5 has been included with this manual to facilitate notification of any such transactions (Appendix V). The user is required to keep a copy of receipts for goods and services purchased. It is extremely important to request and retain purchase receipts. In the instance of a phone or mail order please have the vendor fax the user a copy of the receipt or charge being made. Once this document is filed with the PCard Administrator, it will be handled at that level.

The PCard Administrator will document any findings, police reports, and credit adjustment to the individual account and work with Wells Fargo to ensure credit if appropriate.

17.0 Sales and Use Tax

Merchants are required by tax authorities to include the applicable sales or use tax at the time of purchase. **The City's Tax Exempt number is listed on each card.** The authorized user should make sure that sales tax is not assessed at the time that the purchase is made. If sales tax is assessed, the user is responsible for having the merchant/supplier issue a credit memo to the PCard account. The user has five (5) days to obtain the credit memo or the card will be deactivated. If the sales tax amount is not credited to the account, the cardholder (employee) is personally liable for the sales tax amount. The Cardholder will then repay the sales tax amount or a payroll deduction will be processed.

The sales tax exemption is valid inside the state of Texas. If sales tax is from outside of the state of Texas, the Cardholder will not be responsible for the sales tax amount.

Questions regarding this policy and any other questions concerning tax issues should be addressed to the PCard Administrator.

18.0 Monthly Review of Program

A monthly report will be run on a monthly basis to review spending limits and other authorizations. This report will be reviewed by the Financial Transactions Manager.

Desk reviews will be performed on a monthly basis by the Financial Transactions Division. These desk reviews will review monthly PCard charges for items including but not limited to the following: appropriate use of accounts, personal charges and appropriate use of credit card. A memorandum indicating the outcomes of these desk reviews will be sent out to each department on a monthly basis.

Continuous findings from the department not complying with procedures to use the PCard Program properly such as exceeding funding limits, incorrect accounting entries and personal charges shall result in the department PCard program being suspended and/or revoked.

19.0 Frequently Asked Questions

19.1 Why did the City decide to participate in a Purchasing Card Program?

Like most public entities today, the City is exploring ways to streamline processes and reduce costs. Frequently the expenses incurred to process a small dollar purchase can run as high as the price of the item itself. With a Purchasing Card, many of the typical purchasing steps should be eliminated including, generating a requisition, preparing a purchase order, matching a packing slip to purchase order, matching invoices with purchase requisitions, individual payments of invoices, etc.

19.2 What is the procedure when I pay for something with my Purchasing Card?

Essentially, the process is the same as when using your personal credit card. You must always ask for a receipt for your records, particularly for phone, fax and mail orders. You will need to keep these receipts on file to use as supporting documentation for your purchases and for audit purposes.

19.3 Are there any restrictions associated with the use of my Card?

Yes, in addition to the City's policy stating the type of products you can buy, other controls and limits may be placed on your card including:

- a monthly dollar limit
- a daily dollar limit
- a "per transaction" dollar limit
- "blocked" merchant categories

These restrictions are placed by your Departmental PCard Approver. Your Approver should have a copy of the PCM-1 form specifying your restrictions.

19.4 How will I know if I have exceeded my monthly limit?

You must maintain a log of your purchases to keep a running total of your expenditures. Once you have reached your limit within a given month, your card will not be accepted for additional purchases. To determine your outstanding balance at any given time, you may call the toll-free Wells Fargo Bank Customer Service number on the back of your card.

19.5 What should I do if a supplier does not accept the Wells Fargo Bank Purchasing Card?

If the card is refused at a supplier where it most likely should have been accepted, the Cardholder can call Wells Fargo Bank Purchasing Card Customer Service at 1-800-932-0036 to determine the reason for refusal. If the refusal is due to the merchant category code being blocked, the cardholder should contact their Department PCard Approver.

19.6 How will I know if the company is getting billed correctly for the purchases I have made?

Any [PCard](#) purchases can be reviewed in Wells Fargo CCER between 2-3 days after the purchase was made. You may log in to your Commercial Card Expense Reporting account, and click on “View Cycle-to-Date”. There you will be able to review transactions, reclassify and save any changes made. If you find any fraudulent charges, contact Wells Fargo immediately (call the number in the back of your card).

19.7 How will my monthly Purchasing Card bills be paid?

The monthly amount due is automatically withdrawn from the City’s bank account. You are not responsible for payment of your Procurement Card purchases.

19.8 Who in the City may I talk to if I have questions going forward?

The Department PCard Approver has been designated by the Department Head to approve and manage the PCard Program in your department. The Approver should be contacted with any questions you have regarding limits, usage and other issues. The Approver authorizes the PCard Administrator to change any existing information or restrictions to a cardholder’s account. All changes need to be submitted through an Account Maintenance Form, PCM-1 as required in the manual.

19.9 What should I do if I have a disputed or fraudulent charge that appears on my statement?

Please refer to the “Disputed or Fraudulent Charges” section of this guide for complete details. It is extremely important that you address these items immediately.

19.10 Once I receive the card, can I begin using it immediately?

Once you receive your card, you will be instructed to call Wells Fargo Bank’s toll-free number and provide certain information (e.g. social security number or other meaningful data) to activate the card. This procedure ensures a secure card issuance process and helps to prevent fraud.

19.11 What should I do if my card is lost or stolen?

It is extremely important to call Wells Fargo Bank’s Customer Service toll-free number immediately in the event your card is lost or stolen 800-932-0036. You must also notify the Procurement Card Administrator at 915-212-1166.

19.12 Can another employee utilize my card for purchases?

At no time should another individual use your Purchasing Card. Each Purchasing Card will be embossed with the individual employee’s name. The employee is responsible for the proper use of his/her card.

19.13 Can the Purchasing Card be used out of the United States?

No, the card cannot be used for purchases outside of the United States. However, the Pcard may be used internationally on a case by case basis depending on approval from higher management. Temporary access may be granted while working with Wells Fargo to ensuring that no restrictions will be applied. Access will be removed once the purchase(s) have been completed.

19.14 What should I do if I need to change my monthly or single purchase limits?

Please contact the Department PCard Approver for additional information. All changes need to be submitted through an Account Maintenance Form, PCM-1 as required in the manual.

APPENDIX I

Procurement Card Maintenance Form (PCM-1)

Procurement Card Account Maintenance Form (PCM-1)



Part I. Employee Information

Name: _____ KRONOS ID #: _____

Department: _____ E-mail: _____

Part II. Type of Request

| | |
|---|--|
| <input type="checkbox"/> New Account <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input type="checkbox"/> VISA <input type="checkbox"/> MASTER CARD </div> | ONLY for NEW Accounts: Choose Role: <div style="margin-top: 5px;"> <input type="checkbox"/> Cardholder <input type="checkbox"/> Reconciler <input type="checkbox"/> Approver </div> |
| <input type="checkbox"/> Name Change: From: To: | Monthly Credit Limit: \$ _____ Single transaction Limit: \$ _____ Travel, General or BOTH: _____ Daily dollar limit: \$ _____ |
| <input type="checkbox"/> Staff Relocation | |
| <input type="checkbox"/> Approver/Reconciler Change Current: | |
| <input type="checkbox"/> Account Closure (state reason below) | |
| <input type="checkbox"/> Increase/Decrease Credit Limit (monthly) From: \$ To: \$ | |
| <input type="checkbox"/> Increase/Decrease temporary or permanent? If temporary, expiration date: _____ | |
| <input type="checkbox"/> Other: | |
| Reason/Explanation (for all except new acct.): | |

Part III. Approver and Reconciler Information (must be filled out for all requests)

Approver Name (print): _____ Department: _____

Reconciler Name (print): _____ Department: _____

Part IV. General Ledger Information (for new accounts)

The general ledger information provided will be the primary general ledger information that charges will be expensed to unless otherwise specified.

| Fund : | Dept. ID: | Division: | Project/Grant: | Program Code: |
|---------------|------------------|------------------|-----------------------|----------------------|
| | | | | |

Part V. Authorization

| | |
|---------------------------|------|
| Employee Signature | Date |
|---------------------------|------|

| | | | |
|---------------------------|------|----------------------------------|------|
| Approver Signature | Date | Department Head Signature | Date |
|---------------------------|------|----------------------------------|------|

| ADMINISTRATOR USE ONLY: | |
|--|-------------|
| Date received: _____ | |
| Action: <input type="checkbox"/> Created new account: _____ <input type="checkbox"/> Increase/Decrease Limit <input type="checkbox"/> MCC Change | |
| <input type="checkbox"/> Disabled <input type="checkbox"/> Other: _____ | |
| Card Issued: YES / NO Last digits of card issued: _____ | |
| Administrator Signature: _____ | Date: _____ |

APPENDIX II

CARDHOLDER AGREEMENT



Cardholder User Agreement Form PCM-2

You are being entrusted with a City of El Paso purchasing credit card, otherwise known as the PCard, issued by Wells Fargo Bank. The card is provided to you based on your need to operate locally on a daily basis and to purchase materials for the City of El Paso. It is not an entitlement nor reflective of title or position. The card may be revoked at any time without your permission. Your signature below indicates that you have read and will comply with the terms of this agreement.

1. I understand that I will be making financial commitments on behalf of the City of El Paso and will strive to obtain the best value for the City of El Paso.
2. I understand that I will receive and read the Procurement Card Manual prior to using my PCard. I will follow the policies and procedures outlined in the manual. Failure to do so could be considered a misappropriation of City of El Paso funds. Failure to comply with this Agreement may result in either revocation of my user privileges or other corrective action, up to and including termination.
3. I understand that under no circumstances will I use the PCard to make personal purchases, either for myself or for others. I understand which purchases are allowable and unallowable under the City of El Paso PCard program. Using the card for personal charges could be considered misappropriation of City of El Paso funds and could result in corrective action, up to and including termination of employment.
4. I understand that I am required to reconcile my monthly statement electronically and ensure that all documentation is available to support the charges that are made on my credit card.
5. I agree that should I violate the terms of this Agreement and use the PCard for personal use, City of El Paso shall have the right to deduct any amounts owed, including but not limited to charges incurred from collection agencies, internal administration costs, court costs, etc, from my paycheck or final paycheck.
6. The PCard is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
7. The PCard is City of El Paso property. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect City of El Paso assets. This may include being asked to produce the card to validate its existence and account number.

8. Upon receipt of my PCard, I will immediately activate it and keep it safeguarded at all times. If the card is lost or stolen, I will immediately notify Wells Fargo Bank by telephone at 800-932-0036 and the PCard Administrator at the City of El Paso.

9. I will receive a monthly statement, which will report all purchasing activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will reconcile the statement each month, make any coding changes to the expenses if needed, and resolve any discrepancies by either contacting the merchant or Wells Fargo Bank myself.

10. I agree to surrender the PCard immediately upon termination of employment, whether for retirement, voluntary, or involuntary reasons.

Employee Name (Print)

XXXX-XXXX
Last 8 Digits of Card Number

Employee Signature

Date

Department

APPENDIX III

PCARD RECORD LOG

|



PURCHASE CARD RECORD LOG Form PCM-3

Employee Name _____

Period Covered: From _____ To _____

Department: _____

| DATE | VENDOR/SUPPLIER | DESCRIPTION OF PURCHASE | RECEIPT INCLUDED | AMOUNT |
|------|-----------------|-------------------------|------------------|--------|
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Authorized users should retain this log for their records to ensure that all items purchased are accounted. On a monthly basis, users will be requested to reconcile this log to the CCER statement online and submit all receipts to the Department PCard Approver. This form may also be used to recap trip expenses and then reconcile to the monthly statement.

APPENDIX IV

Wells Fargo Bank PCard

Dispute Form

Wells Fargo Bank PCard Dispute Form

PCM-4

Wells Fargo must receive transaction dispute within 60 days of posting to your account.

Attn: Dispute & Loss Specialist

Date: _____

Company Name: City of El Paso

Account Number: _____

Transaction Date: _____ **Amount:** _____

Merchant Description: _____

Please take a moment and check the appropriate statement that validates your dispute. Please attach any supporting documentation that validates your dispute, such as: credit memos, letter to merchants, sales slips or proof of payments.

_____ **I certify that the transaction disputed was not made by me or the person authorized by me to use the card, nor were the goods or services represented by this transaction received by myself or a person authorized by me.**

_____ **Although I did engage in the above transaction, I am disputing the entire charge, or a portion in the amount of \$ _____. I have contacted the merchant and requested a credit to my account for the reason explained in the attached letter.**

_____ **The enclosed sales slip for \$ _____ appeared on my statement as \$ _____.**

_____ **The enclosed credit memo: _____ has not posted to my account OR was listed as a purchase on my statement/activity report.**

_____ **I did not receive the service and/or merchandise. I have contacted the merchant and they have not resolved my dispute. I expected to receive the merchandise/services on**

____/____/____.

____ I have already paid for the transactions shown above by: _____check ____cash ____money
order ____other credit card.

Employee Signature

Date

Phone Number

Please return this form immediately. We appreciate your cooperation and urge you to contact us at 800-932-0036, if you have any questions. Fax completed form to 415-975-6635.

APPENDIX V

DECLARATION OF FORGERY OR UNAUTHORIZED USE

**Declaration of Forgery or Unauthorized Use
Form PCM-5**

Re: Wells Fargo Purchase Card

Account Number: _____

I, _____, have reported that my above numbered card or account. (Please check and complete applicable section)

____ With an expiration date of _____ was not received by me.

____ Was discovered missing on _____.

____ Was stolen on _____, at _____.

I have notified the _____ police, who took report # _____.

____ May have been used without my authorization, though valid card was in my possession at all times.

____ Additional information enclosed on separate sheet.

I last used the said card on _____, 20____ in the city of _____.

Any duplicate of such card has been destroyed.

The transaction(s) listed below or on the attached sheet and/or transaction made after the date of the last usage were not made by me or by a person acting with my authorization. I received no benefit whatsoever from such use. I further authorize you to accept my telephone verification of any subsequent transaction(s).

| TRANSACTION DESCRIPTION | TRANSACTION DATE | AMOUNT |
|-------------------------|------------------|--------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

I declare under penalty of perjury that the foregoing is true and correct, and I will testify, declare, depose or certify to the truth hereof before any competent tribunal, officer or person in any case now or hereafter pending in connection with the matters contained within this declaration

Executed at City of El Paso

Date _____

Signature of Cardholder

Signature of Other Authorized User

Signature of Other Authorized User